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Introduction

Kendall College is certified by the U.S. Department of Education as being eligible to participate in the Pell Grant program, the Federal Supplemental Educational Opportunity Grant program, the Federal Perkins Loan Program, the Federal Direct Loan Program and the Federal Work Study Program.

The following sections detail the policies related to financial aid programs. Federal regulations that govern the administration of federal programs are subject to change. Notification of any change will be provided to all students prior to the effective date of the new or revised policy.

Types of Aid Programs

Federal Pell Grants

Federal Pell Grants are generally awarded to undergraduate students who have not yet earned a bachelor’s or professional degree. All recipients are limited to a lifetime eligibility of 6 years of full time Pell. The Department of Education, using a standard need-based formula established by Congress, determines eligibility. The Pell Grant range for the 2015-2016 award year (July 1, 2015 to June 30, 2016), is $200- $5,775. How much students receive depends on their expected family contribution, cost of attendance, whether they are enrolled full time or part time, and whether they are attending for a full academic year or less. Students may not receive Pell Grant funds from more than one school at a time. The Federal Pell Grant does not have to be repaid.

As required for Pell Grant recipients, all students are provided a book voucher for use at the MBS online bookstore. These vouchers are provided to registered students via email approximately 4 weeks before the term start date.

Federal Supplemental Educational Opportunity Grant (FSEOG)

The Federal Supplemental Educational Opportunity Grant (FSEOG) program is for undergraduates with exceptional financial need. Pell Grant recipients with very low expected family contributions (EFC) will be considered first for an FSEOG. Just like Pell Grants, this grant does not have to be repaid.

Federal Direct Loan Program

Federal Direct Loans – both subsidized and unsubsidized - are available to undergraduate and graduate students through June 30, 2012. Only undergraduates will be eligible for subsidized loans for loan periods that begin on or after July 1, 2012. Students must be enrolled at least half-time to receive a Direct Loan. Federal Direct Loans borrowed while enrolled at another institution may impact a student’s loan eligibility at Kendall College.
**Federal Direct Subsidized Loans** are need-based. The federal government pays the interest on the loan while the student is enrolled in school at least half-time. All subsidized loans first disbursed on or after July 1, 2014 carry an interest rate of 4.66%; interest rates for loans first disbursed on or after July 1, 2015 won’t be determined until June 2015.

**Federal Direct Unsubsidized Loans** require that the student pay the interest while enrolled, unless the student arranges to postpone the interest payment by checking the appropriate box indicated on the Master Promissory Note. Students should be careful when choosing this option because it means that the interest will be capitalized (the accrued interest will be added to the principal amount), increasing the amount of the debt. All unsubsidized loans first disbursed on or after July 1, 2014 carry an interest rate of 4.66%, interest rates for loans first disbursed on or after July 1, 2015 won’t be determined until June 2015.

Both the subsidized and unsubsidized loans have a 1.073% processing fee deducted from each disbursement of the loan.

Students typically have a 6 month repayment grace period after graduating, leaving school, or dropping below half-time status. After this time, payments must be made. During the grace period, interest will not be charged on subsidized loans but will continue to be charged on unsubsidized loans. Payments are usually due on a monthly basis.

Creditworthiness is not a requirement to obtain a Direct Subsidized or Unsubsidized Loan. Under this program, students may borrow up to their maximum loan limit every award year (three 10-week quarters). Loan funds can be used to cover direct education costs such as tuition and fees, room and board, as well as indirect costs such as travel to and from school, books, and other education-related expenses. Federal Direct Loans borrowed while enrolled at another institution may impact a student’s loan eligibility at Kendall College. Before any funds are disbursed, students must read important disclosure information regarding their student loan(s). The Disclosure Statement provides information about the Direct Subsidized Loan and/or Direct Unsubsidized Loan that Kendall College plans to disburse (pay out) by crediting the student’s school account, paying the student directly, or both. There is also a Plain Language Disclosure that will explain the terms of the loan(s). Both disclosures are available at www.studentloans.gov. Students are encouraged to keep a copy of all disclosures for their records. All information submitted for the purpose of securing a federal student loan will be submitted to the National Student Loan Database (NSLDS) and accessible by authorized agencies, lenders, and institutions. The student loan borrower is responsible for knowing the total amount of federal loans borrowed. A summary of an individual’s federal loan debt is available via the NSLDS website (www.nslds.ed.gov/nslds_SA/).
Direct Loan Entrance Counseling is required for first-time borrowers prior to receiving the first disbursement of a Direct Loan. Counseling is completed online at Subsidized and Unsubsidized Direct Loan Entrance Counseling (https://studentloans.gov/myDirectLoan/index.action) and will help students understand their rights and obligations as a student loan borrower. Loan counseling must be completed before students can receive loan funds.

Direct Loan Exit Counseling is required by federal regulations to help students manage their student loans after graduation. The U.S. Department of Education has compiled the Exit Counseling Guide: For Direct loan Borrowers. This guide provides a general overview of information to successfully repay the Direct Subsidized and Direct Unsubsidized Loans. For more detailed information about any of the topics covered in this guide, review the Master Promissory Note (MPN). Exit Counseling is also available online at www.studentloans.gov or http://www.nslds.gov and should be completed:

- before the student graduates
- before the student transfers to another institution
- before withdrawal and leaves of absence
- if the student is enrolled less than half time

To manage their student loan portfolio students should check regularly with the National Student Loan Data System (NSLDS) at www.nslds.ed.gov. This database shows the status of a student’s loans during repayment, the servicer of the loans, interest rates and their outstanding principal balance. This database is accessible 24 hours a day and requires access with a student’s Federal PIN number.

Annual Loan Limits The federal government limits the annual amount of Federal Direct Loans that a student can borrow. Kendall College defines its annual award year as three 10 week quarters. Students cannot exceed the annual Direct Loan maximums in the award year. Loans borrowed at a prior institution can impact a student’s eligibility at Kendall College. Our office may ask students to provide additional information about prior loans in order to process new loans at Kendall.

Direct Subsidized Loans
Undergraduate annual borrowing ranges from $3,500-$5,500 depending on year in school and dependency status.

Direct Unsubsidized Loans
Undergraduate annual borrowing ranges from $5,500-$12,500 (less Direct Subsidized Loan eligibility) depending on year in school and dependency status.

Lifetime Aggregate Loan Limits The federal government limits the aggregate amount of Federal Direct Loans that you can borrow in your lifetime. The lifetime aggregate limits for Direct Loans (FFELP and Direct) are as follows:

Dependent undergraduate students: $31,000 combined (only $23,000 may be subsidized).

Independent undergraduate students: $57,500 combined (only $23,000 may be subsidized).
Parent PLUS Loans do not have a lifetime maximum.

As a loan borrower, students are responsible for knowing the total amount of federal loans they have borrowed. Having sufficient remaining eligibility is important to a student’s ability to successfully complete his or her academic program. A summary of each borrower’s federal loan debt is available via the National Student Loan Data System at http://www.nslds.ed.gov.

**Undergraduate Students: Direct Loan Maximums**

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Dependent Undergraduate Student†</th>
<th>Independent Undergraduate Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1* (0-44 credits)</td>
<td>$5,500—Only $3,500 of this amount may be in subsidized loans.</td>
<td>$9,500—Only $3,500 of this amount may be in subsidized loans.</td>
</tr>
<tr>
<td>Year 2* (45-89 credits)</td>
<td>$6,500—Only $4,500 of this amount may be in subsidized loans.</td>
<td>$10,500—Only $4,500 of this amount may be in subsidized loans.</td>
</tr>
<tr>
<td>Years 3–4* (90+ credits)</td>
<td>$7,500—Only $5,500 of this amount may be in subsidized loans.</td>
<td>$12,500—Only $5,500 of this amount may be in subsidized loans.</td>
</tr>
<tr>
<td>Lifetime Maximum Total Debt from FFELP and Direct Loans (in each status)</td>
<td>$31,000—Only $23,000 of this amount may be in subsidized loans.</td>
<td>$57,500—Only $23,000 of this amount may be subsidized loans.</td>
</tr>
</tbody>
</table>

† Dependent students whose parents have been denied a federal Parent Loan for Undergraduate Student are eligible to borrow at the independent undergraduate level. A new credit denial is required for each award year.

*Students in undergraduate certificate programs or who are in the last two terms of their academic program may be eligible for reduced amounts due to required pro-rating.

**Federal Student Loan Repayment Plans** There are seven repayment plan options for Federal Direct and Stafford Loans. Some of the options carry a lower monthly payment than the Standard Repayment plan. Choosing these options extends the term of the loan and increases the total amount of interest paid during the life of the loan. Learn about the various options and your ability to move between plans by visiting https://studentloans.gov.

1. **Standard Repayment** Borrowers pay a fixed monthly amount for a loan term of up to 10 years. There is a $50 minimum monthly payment.
2. **Extended Repayment** Extended repayment is like standard repayment, but allows a loan term of 12 to 30 years depending on the amount borrowed. Stretching out the payments over a longer
term reduces the size of the monthly payment, but increases the total amount repaid during the life of the loan.

3. **Graduated Repayment** Graduated repayment starts off with lower monthly payments, which gradually increase every two years. The loan term is 12 to 30 years, depending on the amount borrowed. The monthly payment must be at least $25 and will amount to at least the interest accruing.

4. **Income-Based Repayment** Income-based repayment extends the loan term for up to 25 years. The monthly amount is based on the borrower’s income and resets annually. It caps the monthly payments at a lower percentage of income than income contingent repayment. If income is low enough, the interest that accrues is waived for a fixed period of time. At the end of 25 years, any remaining balance on the loan will be cancelled and the amount cancelled is taxable.

5. **Income-Contingent Repayment** Only for Direct Loans. Monthly payments are based on the borrower's income and the total amount of debt. Payments are adjusted each year as the borrower’s income changes. The loan term is up to 25 years. At the end of 25 years, the remaining balance on the loan will be cancelled and the amount cancelled is taxable. There is a $5 minimum monthly payment.

6. **Income-Sensitive Repayment** You may qualify for income-sensitive repayment if you do not have any Direct Loans. This payment plan ties the monthly payment to a percentage of gross monthly income.

7. **Pay As Your Earn Repayment** Your maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply). Your payment changes as your income changes.

**Loan Deferments** Under certain circumstances, an enrolled borrower is entitled to have the repayment of a loan deferred. During deferment, the borrower is not required to pay loan principal and interest on subsidized loans does not accrue. After the in-school deferment, the borrower may be entitled to one grace period of 6 consecutive months.

Students who have a valid social security number on file at Kendall College will have their enrollment here reported and updated monthly with the National Student Clearinghouse (NSC). The NSC communicates electronically with the federal and non-federal loan servicers to insure that students who remain enrolled at least half time maintain the in-school deferments for which they are eligible.

**Kendall College’s Policy:** Students who seek to defer repayment of their prior student loans and do not want to rely on the electronic exchange with the NSC must fill out forms to have their enrollment status verified. Students must get the forms from their lender(s) and send them directly to Kendall College, Office of the Registrar, Attn: Loan Deferment, 900 N. North Branch, Chicago IL 60642. At the top of the form, students must include their enrollment start date and the term for which they are requesting an in-school deferment.

**Note:** Any deferment paperwork sent to the Kendall Registrar’s Office for enrollment verification is forwarded to the National Student Clearinghouse on a weekly basis.
**Federal Direct Parent Loans for Undergraduate Students (PLUS)**

Federal PLUS Loans are available to all parents of dependent undergraduate students regardless of income. Qualification is based solely on good credit. There are no debt-to-income ratio guidelines or employment verification requirements. Parents may borrow up to the total education cost for the award year, minus any other financial aid that the student is receiving. Parent PLUS Loans are processed based on three 10 week quarters per award year.

The total education cost may include tuition and fees, room and board, books and supplies, transportation, and living allowance. The interest rate for Direct PLUS Loans is 7.21%. Interest rates for loans first disbursed on or after July 1, 2015 won’t be determined until June 2015. A federal loan fee of up to 4.292% may be deducted from the loan disbursement.

PLUS loan repayment normally begins within 60 calendar days after the loan has been fully disbursed. The parent can contact their loan servicer to request a deferment while the student is enrolled at least half time and for an additional 6 months when the student ceases to be enrolled at least half time. If your loan is deferred, interest will accrue on the loan during the deferment. You may choose to pay the accrued interest or allow the interest to capitalize when the deferment period ends. Your loan servicer will notify you when your first payment is due.

**Private Education Loans**

**Comparing Private Loan and Federal Loans**

Private education loans may have significant disadvantages when compared with federal education loans. We strongly encourage students to first borrow any federal loans for which they are eligible. The chart below will help in understanding the differences between federal and private loan funds.

**Comparison Chart of Federal and Private Education Loans**

<table>
<thead>
<tr>
<th></th>
<th>Federal Loans</th>
<th>Private Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Check Required?</td>
<td>Direct Loan: No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>PLUS: Yes (limited)</td>
<td></td>
</tr>
<tr>
<td>Credit Score or Debt-to-Income considered?</td>
<td>Direct Loan: No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>PLUS: No</td>
<td></td>
</tr>
<tr>
<td>Co-Signer Required?</td>
<td>Direct Loan: No</td>
<td>Usually yes</td>
</tr>
<tr>
<td></td>
<td>PLUS: Usually no</td>
<td></td>
</tr>
<tr>
<td>Deferment Options</td>
<td>Several options</td>
<td>Depends on lender</td>
</tr>
<tr>
<td>Grace Period</td>
<td>Direct Loan: typically 6 months</td>
<td>Depends on lender</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>Fixed</td>
<td>Usually variable</td>
</tr>
<tr>
<td>------------------</td>
<td>-------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Loan Fees</strong></td>
<td>Direct Loan: up to 1% PLUS: up to 4%</td>
<td>Depends on lender</td>
</tr>
<tr>
<td><strong>Flexible Repayment options</strong></td>
<td>Many options available</td>
<td>Generally none</td>
</tr>
<tr>
<td><strong>Loan Forgiveness Options</strong></td>
<td>Several options available</td>
<td>Generally none</td>
</tr>
<tr>
<td><strong>Penalties for Early Repayment</strong></td>
<td>None</td>
<td>Depends on lender</td>
</tr>
</tbody>
</table>

**Choosing a Private Loan**
When choosing a private education loan, students should compare the loan terms offered by several lenders in order to choose the best fit for their situation. A resource for finding active private education loan programs is [http://www.finaid.org/loans/privateloan.phtml](http://www.finaid.org/loans/privateloan.phtml). When choosing a lender the student must make sure that Kendall students are eligible for the lender’s programs.

Several points you should research when considering a private loan:

- What is the interest rate; is it fixed or variable? Is the rate capped?
- What fees must be paid for this loan and when are they paid?
- How will the student receive loan funds?
- When does repayment begin and is there a grace period?
- What will my monthly payment be?
- What will be the total cost if the student uses the full repayment period?
- Are there penalties for early repayment?
- Are there deferment, forbearance, or cancellation options?

Most private loan programs require the Office of Financial Aid to certify a student’s eligibility before approving the loan. If students receive financial aid, they must notify the Financial Aid Office of any private loans they borrow, as it may affect their aid eligibility.

**Truth in Lending Act**
Under the Federal Truth in Lending Act (TILA), the lender must provide the following documents:

- **Self-Certification Form:** Students must complete this form and return it to the lender before receiving their first disbursement of loan funds. [http://ifap.ed.gov/dpcletters/attachments/GEN1001A-AppSelfCert.pdf](http://ifap.ed.gov/dpcletters/attachments/GEN1001A-AppSelfCert.pdf)
- **Final Disclosure and Right-to-Cancel Period:** After the student signs the promissory note, the Final Disclosure Statement confirms the terms and conditions of your loan. At the time that this final disclosure is delivered, the "right-to-cancel" period begins. During this period of 3 to 6 days, the student may cancel the loan by contacting the lender. The lender cannot release the first disbursement of the loan funds until the end of the right-to-cancel period.
Federal Perkins Loan

The Federal Perkins Loan is awarded to students with exceptional financial need. This is a federal loan program, with the school acting as the lender using a limited pool of funds repaid by prior borrowers. The Perkins Loan carries no interest during the in-school period and through a 9-month grace period. There are no loan fees and the interest rate at repayment is fixed at 5%. There is a 10-year repayment period.

Department of Education Student Loan Ombudsman

The Kendall Office of Financial Aid is always ready to assist with any questions or concerns regarding student loans. If loan issues cannot be resolved, the Department of Education’s Office of the Ombudsman for student loan issues is available. An ombudsman resolves disputes from a neutral, independent viewpoint. The Federal Student Aid Ombudsman will informally research a borrower problem and suggest solutions to resolve the problem. Student borrowers can contact the department’s Office of the Ombudsman via the following:

Online assistance: [www.ombudsman.ed.gov](http://www.ombudsman.ed.gov)
Toll-free telephone: 1-877-557-2575
Fax: 1-202-275-0549
Mail: U.S. Department of Education FSA Ombudsman
830 First Street NE, Fourth Floor
Washington, D.C. 20202-5144

Federal Work-Study (FWS)

Federal Work-Study provides subsidized part-time employment for undergraduate students with financial need, giving them an opportunity to earn money to help cover their educational expenses, such as tuition and books, as well as providing them with positions that complement their educational programs or career goals, whenever possible. To be eligible for work-study employment, students must be in good academic standing and have demonstrated financial need. Kendall College provides as many work-study positions as funding allows.

State Grant Aid

Kendall students who meet the requirements for Illinois residency are assessed for eligibility for the Monetary Award Program (MAP) Grant. Students and parents of dependent students must be prepared to document a minimum one year of Illinois residency.

Some states have a reciprocity policy for their state grants. Check with the appropriate state agency as indicated here: [http://wdcrobcollp01.ed.gov/Programs/EROD/org_list.cfm?category_ID=SHE](http://wdcrobcollp01.ed.gov/Programs/EROD/org_list.cfm?category_ID=SHE)

Financial Aid Application Process

Kendall College defines the annual award year as three 10 week quarters. Applying for financial aid is a two-part process consisting of (1) application and notification of eligibility and (2) completion of documents including Entrance Counseling and the Master Promissory Note. This process takes
approximately 2–4 weeks from the initial application through the receipt of funds. Students are strongly encouraged to begin the application process at least 4 weeks prior to the beginning of the start date of their program or renewal date of their loans to ensure the following deadlines are met.

The Free Application for Federal Student Aid (FAFSA) should be submitted prior to the student’s effective start date, as well as each subsequent loan renewal date. Please note that the FAFSA must be completed annually. The Department of Education releases the new FAFSA each January 1st.

Entrance Counseling and a fully executed master promissory note (MPN) must be on file in the financial aid office no later than 14 calendar days after the student is notified of the award.

- The 2015-2016 FAFSA is for award periods from July 1, 2015 through June 30, 2016.
- The FAFSA is available at [www.fafsa.gov](http://www.fafsa.gov)
- Kendall College strongly suggests that all students and parents of dependent students who are eligible and who filed a federal tax return use the IRS data retrieval tool when filling out the FAFSA on the web. This process may expedite the certification and awarding process.
- Kendall College’s Title IV code is **001703**

**Verification Policy**

In accordance with U.S. Department of Education regulations, Kendall College is required to verify the accuracy of financial aid application information on selected students. Students may be randomly selected for verification or may be selected on the basis of predetermined criteria. This selection process occurs at the US Department of Education. The College may also select applications for verification.

Financial aid awards cannot be determined until verification is complete. Failure to complete the verification process by the end of the period of enrollment will result in a student’s inability to utilize federal or institutional financial assistance for that award year. Students intentionally misreporting information and/or altering documentation for the purpose of increasing aid eligibility or fraudulently obtaining federal funds will be reported to the U. S. Department of Education Office of the Inspector General or to local law enforcement officials.

**Financial Aid Deadlines**

The Office of Financial Aid processes awards on a rolling basis. It is recommended that students have a complete financial aid application at least 4 weeks prior to the start of a term and students must have a complete financial aid application 30 days prior to the end of the term in order for funds to be processed for that term. A complete financial aid application includes all documents required for the awarding and disbursing of funds. Required documents may include, but are not limited to:

- Proof of social security number
- Proof of legal name
- Proof of date of birth
- Proof of citizenship
- Proof of registration with the Selective Service
- IRS tax transcript (personal copies of tax returns are not accepted)
• Copies of W-2 forms
• Documentation of SNAP benefits
• Documentation of Federal student loan default resolution
• Documentation of Federal student grant overpayment resolution

Students must also maintain all federal aid eligibility requirements for the entire term.

The Office of Financial Aid will continue to accept applications, offer awards, and process disbursements in the last 30 days of the term, but cannot be held responsible if funds are not able to disburse for the term. Delays can occur that are outside of the Office of Financial Aid’s control. For example, a student may not be able to obtain timely third-party documentation, such as selective service letters.

Financial Aid Notifications

The Office of Financial Aid will notify students of their aid eligibility via the student’s college assigned email address and/or the email address the student provided on the FAFSA. Notifications include award notifications and changes that are made to financial aid information. Students are required to accept or decline student loan awards via the myFinAid portal. This is done by logging into the myFinAid student portal, reviewing awards, and either accepting or declining on the Accept Awards tab. Students may contact the Office of Financial Aid via email (financial_aid@kendall.edu) or telephone 1-312-752-2070.

Students who complete the FAFSA will receive a Student Aid Report (SAR). Students should READ THE SAR CAREFULLY as it contains IMPORTANT information about the student’s eligibility.

Review of Special Conditions

The United States Department of Education provides in the Higher Education Amendments of 1998 a reaffirmation of the use of professional judgment in determining eligibility for federal financial aid. This provision allows for consideration of expected year income, instead of prior year income to calculate a student’s eligibility. The student’s situation MUST meet one of the criteria used by Kendall College as a special condition. If a student desires to be considered for a special condition the student will need to meet with the Director of Financial Aid.

The Higher Education Act, in addition, grants financial aid administrators the authority to change a student’s status from dependent to independent in cases involving unusual circumstances. If a dependent student feels he/she has unusual circumstances for a potential dependency override the student will need to meet with the Director of Financial Aid.

Student Eligibility Requirements

To receive aid from any of the federal student aid programs administered by Kendall College’s Office of Financial Aid, a student must meet all of the following criteria:

• Be a U.S. citizen or eligible non-citizen
• Have a high-school diploma or recognized equivalent such as a GED certificate
• Enroll in an eligible program as a regular student seeking a degree or certificate
• Register (or have registered) with the Selective Service if you are male
• Have a valid Social Security number
• Meet satisfactory academic progress standards
• Not be in default on a federal student loan nor owe overpayment on a federal student grant
• Not exceed the lifetime aggregate or annual loan limits without documentation that the debt has been reaffirmed.

Please be advised that a conviction for any offense, during a period of enrollment for which a student is receiving Title IV financial aid, under any federal or state law involving the possession or sale of illegal drugs, will result in the loss of eligibility for any Title IV grant, loan, or work assistance.

**Overlapping Financial Aid**

Federal aid received at another institution can impact the amount of federal aid that a student may receive at Kendall College. Per federal regulations, Kendall College participates in the federal transfer monitoring process whereby the U.S. Department of Education may take up to 90 days into the start of a student’s first term to notify Kendall College that the student has federal aid awarded at another institution that overlaps into his or her enrollment dates at Kendall College.

The Office of Financial Aid may not be able to make an initial award offer to a student or may have to cancel aid that has already been awarded if we receive information that the student has applied for and/or received federal aid at another institution for an overlapping period. For example, if the loan period at the student’s prior institution ends even one day after his or her start quarter at Kendall College, the student has an overlapping period and we must deduct aid received at the other institution from the student’s annual eligibility at Kendall College. The student may be asked by this office to have his or her prior institution complete an Overlapping Financial Aid Form to confirm the last date of attendance and disbursed loan amounts.

To prevent duplication of living allowance between schools Kendall College must remove the living allowance from the student’s cost of attendance at Kendall College during periods of overlap. Students must make alternative arrangements for payment if they become ineligible for federal aid based on aid received at another institution.

**Enrollment Policy**

For terms that a student is not yet registered, financial aid is offered based on the assumption that the undergraduate student will be enrolled for 12-19 credits per 10 week quarter for the entire period of the award. If the student is already registered for the term(s) being awarded, financial aid will be awarded based on that current enrollment status. When students enroll for fewer credits in a term or change their registration after award notification, their aid may be adjusted at the end of the ‘add/drop’ period to reflect their current enrollment status. Students must be enrolled at least half-time to remain eligible for most federal student aid programs. Students who are eligible for the Federal Pell Grant and State of Illinois MAP Grant may receive funding for enrollment of less than 6 credit hours.

**Enrollment Statuses for Financial Aid**

<table>
<thead>
<tr>
<th>Enrollment Status</th>
<th>Number of Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14
<table>
<thead>
<tr>
<th></th>
<th>Credits per Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>12 or more</td>
</tr>
<tr>
<td>Three-quarter time</td>
<td>9–11</td>
</tr>
<tr>
<td>Half-time</td>
<td>6–8</td>
</tr>
<tr>
<td>Less than half-time</td>
<td>1–5</td>
</tr>
</tbody>
</table>

Financial Aid Disbursement & Request for Excess Funds

Most financial aid is disbursed in three equal payments over the award period. Students may have any excess credit in their account returned to them to pay for indirect education expenses. Any time financial aid proceeds credited to a student’s account exceed direct charges the Bursar’s Office will automatically forward the credit balance directly to the student no later than 14 calendar days after the credit balance occurs. Students are responsible for payment of tuition and fees incurred after a full credit balance refund has been released (e.g., added courses, residencies fees, returned financial aid due to withdrawal). Credit balance refund distributions are made in accordance with applicable federal guidelines. Any outstanding debt to the College as a result of a required credit balance refund is the responsibility of the student.

Generally financial aid begins disbursing on the 11th day of the term and refunds are released to eligible students by day 25 of the term (14 days after funds have disbursed to the student’s account). Students must participate in coursework to establish eligibility and remain eligible for federal aid. Failure to participate in academically related activity will result in loss of eligibility for all or part of the term. Disbursements may be delayed if the student is subject to an academic progress review for a prior term. Students have access to review their student account on the student portal and should check their student account balance regularly.

Adjustments to Financial Aid

Federal financial aid is awarded based on an estimate of the student’s eligibility. The Office of Financial Aid may have to cancel or reduce financial aid before or after disbursement, based on new information that becomes available after the time of awarding or disbursement. Examples of changes that would require adjustments to aid:

- Student does not begin attendance in any courses
- Pell recipient does not begin attendance in all courses of the term
- Student withdraws from all courses in the term (officially or unofficially)
- Receipt of other resources not reported at the time of awarding or disbursement
- Student becomes federally ineligible based on the receipt of updated information from the U.S. Department of Education.
- Student does not meet course participation requirements.
• Student adjusts their registration after award notification

In some instances, a Return of Title IV (R2T4) calculation will be required. Details on Return of Title IV may be found in a later section of this document.

Programs are awarded based on the assumption of enrollment at a full time level per quarter, unless the program is only offered at half time. Students who enroll in less than 12 credits may require an adjustment of federal aid.

**Overaward of Federal Aid**

The receipt of additional estimated financial assistance and/or a reduction in the cost of attendance that was not accounted for at the time of initial awarding may cause an overaward of federal funds. The term "overaward" refers to any estimated aid that exceeds a student's financial need and/or cost of attendance. Estimated financial assistance includes but is not limited to the following: tuition reductions, tuition waivers, scholarships, third party payments, and/or other resources. In such instances, the Office of Financial Aid will correct the overaward by adjusting the federal financial aid. Federal aid may be adjusted by reducing or reallocating funds prior to disbursement or returning funds to federal programs if disbursement has already occurred. Loans will be reduced before any reduction is made to scholarship or grant awards.

**Withdrawal From a Term**

Students withdrawing from any or all courses in the term prior to the completion of 60% of the quarter may find that funds are owed to the College as a result of an R2T4. Students who stop engaging in academically related activities during the term, without officially withdrawing from the courses, are subject to an R2T4 calculation. In such cases the last date of academically related activity, as determined by the College, is used as the withdrawal date for the term. Prior to withdrawing from all courses in the term, it is suggested that students contact the Office of Financial Aid to determine the amount of federal aid that must be returned. Federal student aid may not cover all unpaid charges due to the College upon the student’s withdrawal.

**Federal Return of Title IV Funds**

Federal regulations require the Office of Financial Aid to apply a formula established by the U.S. Department of Education, entitled “Return of Title IV Aid,” (R2T4) to determine the amount of federal financial aid a student has earned as of the student’s official or unofficial withdrawal date. The amount of the federal financial aid returned to federal aid programs is determined by the amount of time a student spends in academically related activity. After 60% of the term has passed, students have earned 100% of the federal financial aid disbursed to them.

Students withdrawing from any course prior to the completion of 60% of the quarter may find that funds are owed to the school.

Students who stop engaging in academically related activities during the term, without officially withdrawing from the courses, are subject to the R2T4 calculation. In such cases, the last date of academically related activity, as determined by the college, is used as the withdrawal date for the term.
Other enrollment changes that may trigger an R2T4:

- Withdrawal to zero credits.
- Failure to participate in more than 60% of the quarter along with failure to earn a passing grade in all courses attempted in the quarter.
- Lack of active participation for at least 14 consecutive days in a quarter
- Official leave of absence during the quarter

**Examples of Title IV Calculations**

**Example 1**
Erika Jones is a bachelor’s degree student in the Business Program. Her quarter term begins on April 11 and ends on June 23 (total of 74 days). On May 17th (37 days into the term), she drops her classes.

Erika's cost of attendance is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$5,121</td>
</tr>
<tr>
<td>Fees</td>
<td>$275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,396</strong></td>
</tr>
</tbody>
</table>

Erika's financial aid package consists of:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Subsidized Loan</td>
</tr>
<tr>
<td>Direct Unsubsidized Loan</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

As Erika has completed only 37 days of her semester, she earned 50 percent of the $4,146. According to the federally mandated calculation, 50 percent of the unearned portion of her aid, equaling $2,073 must be returned.

Kendall College is required to return the following Federal aid:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Unsubsidized Loan</td>
</tr>
</tbody>
</table>

Erika is not eligible to receive a tuition refund because she dropped her classes after the refund period.
Erika now owes $2,073 to Kendall College as she has lost part of her Federal aid eligibility. A collections hold is placed on Erika's account at the time the funds are returned to the government, which prevents her from registering for any additional classes, or receiving transcripts until she pays her balance to Kendall College.

**Examples 2**

Ernie Smith is a Hospitality student. His semester begins April 11 and ends June 23 (total of 74 days). On May 30 (50 days into the term), Ernie accepts a full-time job and drops his classes.

Ernie's cost of attendance is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$7,026</td>
</tr>
<tr>
<td>Fees</td>
<td>$275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,301</td>
</tr>
</tbody>
</table>

His financial aid package consists of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Subsidized Loan</td>
<td>$2,820</td>
</tr>
<tr>
<td>Direct Unsubsidized Loan</td>
<td>$3,980</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,800</td>
</tr>
</tbody>
</table>

Based on Ernie's attendance (67 percent of the term), he has "earned" all of his financial aid for the term and will not have any funds returned.

**Study Abroad or Study at Another Institution**

Enrollment in certain programs of study at another school or study abroad approved for credit by Kendall College may be considered enrollment at the College for the purpose of applying for assistance under the Federal Title IV financial aid programs.

For students to access federal financial aid, a Consortium agreement is required between the schools whereby the home school disburses federal aid for courses taken at a host school. The host school agrees not to disburse federal aid and to monitor the student's enrollment for the home school. Consortium agreements may be made between Kendall College (home school) and a host school if the student has been approved by Kendall College to take coursework at the host institution that will fully transfer toward the Kendall College degree program. Kendall College degree seeking students must submit a copy of a "Consortium Agreement" form signed by the host school's financial aid office to the Kendall College Office of Financial Aid. Students must also meet all other federal eligibility requirements. If the student is approved for a consortium agreement by Kendall College, Kendall College will disburse federal aid to the Kendall College student account and the Bursar's Office will pay the host institution.

**Satisfactory Academic Progress**

Kendall College's satisfactory academic progress requirements to receive Title IV student financial aid comply with U.S. Department of Education regulations. These standards are intended to establish
minimum, reasonable levels of advancement toward degree completion and to guard against abuse of federal financial aid programs. Satisfactory progress requirements for receipt of federal financial aid and institutional awards that are administered by the Office of Financial Aid are separate and distinct from the College’s academic progress requirements for academic continuance.

Financial Aid satisfactory academic progress requirements are reviewed after each quarter. Students receive written notification via e-mail to the account provided to the Office of Financial Aid on their FAFSA and/or their Kendall College student email account if they are placed on financial aid warning or financial aid ineligible. Student on financial aid warning have one period of enrollment to return to the requirements listed below. After one period of warning, if the student does not meet the requirements they move to financial aid ineligibility. Students in financial aid ineligible status may appeal for a period of financial aid probation. If it will take longer than one term to get back to good standing the student will be placed on an academic plan. If the appeal is not granted students remain ineligible for federal financial aid. Students who fail their academic plan will move to financial aid ineligibility.

It is the student’s responsibility to know the requirements for meeting satisfactory academic progress. Failure to receive notification will not nullify a student’s financial aid status with Kendall College.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Minimum Financial Aid Credit Completion Rate</th>
<th>Minimum Cumulative Financial Aid GPA</th>
<th>Maximum Time Frame to Receive Federal Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s degree</td>
<td>67%</td>
<td>2.0</td>
<td>270 attempted credits</td>
</tr>
<tr>
<td>Associate’s degree</td>
<td>67%</td>
<td>2.0</td>
<td>144 attempted credits</td>
</tr>
</tbody>
</table>

**Treatment of Courses & Credits for Satisfactory Academic Progress for Financial Aid Eligibility**

**Course Repetitions:** Repeating courses for which a grade of “D” or better has already been earned do not count as earned or as completed credits toward the student’s completion rate.

**Drops:** Courses dropped before the end of the “add/drop” period are not included in the Financial Aid Satisfactory Progress calculations.

**Incompletes:** Incomplete grades count as credits attempted and not completed, but do not impact GPA.

**Periods with No Financial Aid:** Financial aid progress requirements include all periods of enrollment including periods in which the student did not receive federal aid.

**Second Program:** The maximum time frame will be reset for students who complete one program or degree at Kendall College and begin a subsequent program or degree.

**Transfer Credits:** All credits accepted toward the Kendall College degree or programs are considered as both attempted and completed when calculating the Minimum Credit Completion Rate and Maximum Time Frame.
Withdrawals: Courses dropped after the “add/drop” period are considered to be attempted but not completed.

Right to Appeal
Occasionally, a student’s academic progress may be impacted by unusual circumstances that are beyond the student’s control. A student may appeal for an extension of financial aid after a period of Financial Aid Warning, if the student can document that unexpected, unusual, and temporary circumstances affected the student’s ability to progress at the required rate. Examples of such mitigating circumstances are a death in the immediate family, illness, or other significant life change.

- Students may appeal to the Office of Financial Aid following the end of the Financial Aid Warning period of enrollment.
- Students who wish to appeal must complete the Financial Aid Academic Progress Appeal Form and provide supporting documentation to the Office of Financial Aid for review.
- Failure to provide supporting documentation will result in an automatic denial.
- If the appeal is accepted, the student must meet the requirements outlined in the written approval of the appeal.
- A preexisting condition (a condition or illness that you had before beginning any Kendall College program) is not cause for appeal unless there was an unexpected change in that condition.
- Students may not use the same circumstances in a subsequent appeal, although a student may submit an appeal for a future period of difficulty for different mitigating circumstances.

Decisions by the Office of Financial Aid are final.

Policy and Definitions

Academic Plan: A coursework plan intended to bring the student back to satisfactory progress by a specified date. The option for extended probation with an Academic Plan is only available if it is not reasonable to expect the student to return to satisfactory progress during the next period of enrollment. An Academic Plan may be a course-by-course plan for degree completion, a specification for number of credits and/or grade requirements for particular periods of enrollment, and/or requirements for the student to get academic support or to use other academic resources. A student must comply with an Academic Plan in order to retain eligibility for financial aid.

Appeal: Occasionally, a student’s academic progress may be impacted by unusual circumstances that are beyond the student’s control. A student may appeal for an extension of financial aid if the student can document that unexpected, unusual, and temporary circumstances affected the student’s ability to progress at the required rate. See the “Right to Appeal” section for details.

Maximum Time Frame: Federal financial aid eligibility expires without warning when the student reaches the maximum time frame or if the financial aid academic progress review makes it clear that the student cannot mathematically finish the current program within the maximum time frame.
• The maximum time frame will be reset for students completing a second or further degree at Kendall College.
• The maximum time frame for students who change programs without earning a Kendall College degree is cumulative for all programs attempted and is measured against the maximum time frame for the current program.
• The maximum time frame excludes quarters of non-enrollment and quarters in which all courses are dropped before the start of the term or during the drop period.
• Financial aid eligibility for an academic program ceases as soon as all academic requirements for graduation have been met regardless of maximum time frame standing.

Minimum Credit Completion Rate: A percentage calculated by dividing cumulative successfully completed credits by total credits attempted. For example, a student who has successfully completed 27 credits at Kendall College out of a total of 40 attempted credits at the College has a course completion rate of 67.5%. This rate includes credits transferred into Kendall College. To maintain good academic standing by this measure, students must keep their credit completion rate at or above 67%.

Minimum Cumulative GPA: The grade point average for all coursework pertaining to the current program of study. To maintain good academic standing by this measure, students must keep their cumulative GPA at or above 2.0

Period of Enrollment: One 10 week quarter.

Status - Financial Aid Warning: This status is assigned to a student who fails to make satisfactory academic progress on one or both measures during their most recent period of enrollment. The student has one period of enrollment to return to good standing and maintain eligibility for financial aid.

Status - Financial Aid Probation: This status is assigned to students who have a financial aid appeal approved and has eligibility for financial aid on a probationary basis. Financial Aid Probation is assigned for one period of enrollment. It may be extended if accompanied by an academic plan.

Status - Financial Aid Ineligibility: This status is assigned to a student who failed to be successful during the period of Financial Aid Warning or Probation. Students who do not complete a successful appeal, who are not successful during a single term of Financial Aid Warning/Probation, or who do not comply with an Academic Plan will lose all financial aid eligibility. A student with Financial Aid Ineligibility status is not eligible for financial aid until the student is back in good standing. Simply sitting out a term, paying cash, or changing academic programs will not return a student to satisfactory academic progress.

Loss of Federal Financial Aid Eligibility

Students who become ineligible to receive financial aid but remain in compliance with the academic progress standards for continuance in their program are not withdrawn from the program but must arrange for alternative payment with the Bursar by the appropriate tuition due date.